

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0545P
Sales and Use Tax Penalty
For Tax Period: 1998

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is a Michigan Corporation that purchased an aircraft in 1998. Taxpayer, at hearing protested the penalty assessed.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer states it was not negligent in failing to remit tax due on an aircraft hangared in Indiana because it relied on prior departmental policies. Taxpayer complied with the laws of South Carolina when it paid the tax due. Although the taxpayer complied with the laws of South Carolina every time an aircraft had been purchased in that state, it had not complied with the laws of Indiana when it failed to pay use tax on the aircraft purchase made in 1998. The department found that a prior LOF made a mistake in the correct interpretation of the law, and, as

such, it retroactively revoked the Letter of Findings pursuant to Department Regulation 45 IAC 15-3-2(d)(3) and upheld the use tax on the aircraft.

Because the taxpayer relied on prior departmental policies and the department shows no negligence on behalf of the taxpayer, the penalty is waived.

FINDING

Taxpayer's protest is sustained.